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Annual Fisheries Report

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Fishery Products

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Report Highlights:

Production of fishery products (both wild catch and aquaculture) is estimated at 1.24 million metric tons in 2009. This increase in production reflects improvement in production from inland sources and some species of wild catch. Outlook for the 2011 calls for fishery production to reach 1.43 million metric tons, an increase of 15 percent.

General Information:

Brazil has an extensive coast on the Atlantic Ocean. As such, seafood is an important food source, especially for those in coastal regions. Bacalhau (salted cod), in particular, is considered a dietary staple. Seafood, both domestically caught and imported, is readily available. Despite the capacity of the domestic fishing industry, production of fish is lower than necessary to meet domestic demand. Brazil is the largest importer of seafood in South America, and imports approximately U$ 688 million dollars of edible seafood annually.

Similar to production, consumption of fish in Brazil varies greatly by region, but overall is lower than would be expected (lower than global averages and below World Food Organization recommendations). Fish consumption is currently on the rise, and is forecast to increase further on account of government intervention in the form of informational/market promotion. Between 2003 and 2009, sales of fish and seafood (in terms of volume) increased by 5.7 percent, and volume sales increased by over 6 percent in 2008 alone. In fact, fish and seafood is the fastest growing fresh food in Brazil, and the percentage of consumer food expenditure spent on fish and seafood grew by 57.6 percent between 2000 and 2009.

Production of fishery products (both wild catch and aquaculture) is estimated at 1.24 million metric tons in 2009. This increase in production reflects improvement in production from inland sources and some species of wild catch. Outlook for the 2011 calls for fishery production to reach 1.43 million metric tons, an increase of 15 percent.

Situation and Outlook

Overview

Brazilian fishery production increased by 25 percent in the last eight years from 990,889 metric tons to 1.24 million metric tons in 2009. Last year's production increased 5 percent from the previous year, of which wild catch is estimated at 825,160 mt (66.5 percent) and aquaculture at 415,640 mt (33.5 percent).

BRAZIL : Fishery and Aquaculture Production (1,000 metric tons)				
Category	**2006**	**2007**	**2008**	**2009**
Wild Catch (total)	778	782	817	825
- Seawater	527	539	556	586
- Inland water	251	243	261	239
Aquaculture (total)	271	288	365	415
- Seawater	80	78	83	78
- Inland water	191	210	282	337
TOTAL	1,049	1,070	1,182	1,240

Source: Brazilian Ministry of Fishery and Aquiculture.

Aquaculture production from inland waters increased 20 percent in 2009 compared to 2008, continuing its upward trend. On the other hand aquaculture from seawaters decreased 6 percent, reflecting difficulties faced by this segment such as decline in international prices which made some products not competitive in export markets.

Fish production is concentrated in the Northeast region of the country with production at 411,000 mt in 2009, followed by the South region with 316,000 metric tons, and 263,000 mt from the North region.

The *Tilapia* is the most important fish produced in aquaculture. In 2009, *tilapia* production was 132,000 mt, representing 39 percent of total production. Another important variety is “tambaqui” (*Colossoma macropomum*), with 46,500 mt last year.

Production:

Shrimp

In 2009, shrimp production reached 65,189 mt, a 7 percent decrease compared to the previous year.

After experiencing a boom in the beginning of the decade when output reached 90,000 mt, Brazil suffered a setback in shrimp production due to U.S anti-dumping actions in 2004. This forced producers to focus on the domestic market. Between 2005 and 2009, production was on average 65,000 mt and reached 70,000 mt in 2008, which was the most expressive year.

The industry is highly dependent on exports, however the strong Brazilian currency combined with restrictions from the United States and the European Union have negatively affected exports of shrimp from Brazil. In 2010 producers are again focusing on European markets and the Brazilian government is more aggressive with market promotion for shrimp exports. Estimates indicate a small increase in production numbers for 2010, boosted mostly by higher domestic demand.

Nearly 90 percent of total shrimp production is concentrated in the Northeast region of the country, with Rio Grande do Norte and Ceará the top shrimp producers.

The farm-raised shrimp industry is composed of approximately 1,000 producers, predominantly small and medium-scale operations and nearly 50 processing centers. Currently, Brazil has the capacity to process 925 mt of shrimp per day, with storage capacity of 15,925 mt.

Lobster

Lobster production is concentrated mainly in Ceara state, which accounts for 79 percent of Brazilian production. Lobster production in Ceara state increased 45 percent from 2,186 mt in 2007 to almost 4,000 mt in 2009. Estimates indicate that current total lobster production increased 6 percent from 2008 to 2009, with total production of 7,170 mt. Post forecasts an increase of two percent in 2010. Trade sources indicate that international lobster prices declined from US$ 57/kg to US$ 20/kg, which was not favorable to producers. Prices have fallen due to the international financial crisis, environmental concerns, quality of the product and competiveness in the international markets.

Official production numbers do not include illegal catches. The Brazilian Environmental Protection Agency (IBAMA) has increased the number of inspectors to protect lobster-fishing areas. The minimum size for lobster catch was defined at 13 cm by IBAMA. The agency also shortened the fishery season in 2009 by increasing the prohibited period for the lobster catch during the so-called “defesa da lagosta” period, which is from December through May. In previous years this period was from January through April during reproductive season.

The Brazilian Ministry of Agriculture is researching methods and procedures to help producers to start exporting live lobsters to Europe, which will add value to the product and increase production.

Sardines

The 2009 harvest of sardines in Brazil was approximately 85,286 mt, an increase of 14 percent from the previous year that was 74,630 mt.

The catch period for this specie is from February 15 until May 15 and from August 1 until November 1. Post estimates a small decrease in the sardine catch in 2010 to 80,000 mt, due to a strike by fishermen in the first quarter of the year. As a result, there was an increase of canned sardine imports in the first 6 months of 2010 to US$ 81,313,97 compared to US$ 280,448 from the previous year.

The Brazilian government reacted to the increased imports of sardines and raised the import tariff of the canned product from 16 percent to 32 percent in the first quarter of 2010. Canned sardine imports reached 100,072 mt in 2008 and 114,022 mt in 2009.

Consumption:

Recently the Brazilian Ministry of Fishery and Aquaculture published a study with official data on fish consumption in Brazil. According to this study, Brazil's annual per capita consumption is around 9.03 kg/person. In 2003 the per capita consumption was 6.46 kg/person, a 49.8 percent increase in seven years. Brazil is still below the recommended value defined by the Food and Agriculture Organization (FAO) which is 12 kg/person, but achieved the goal established by the Brazilian authorities to increase fishery consumption.

Retail and Restaurant Industry

With increased consumer food spending, the retail sector in Brazil is growing rapidly. Retail sales grew 10.5 percent from 2007 to 2009. Even in light of the mild recession that hit Brazil, retail sales have bounced back sooner and stronger than expected. Retail physical capacity is also on the rise. Sales of grocery products in particular have been fueled by increased demand from lower-income consumers. The growth of large supermarkets and hypermarkets, especially international chains, has changed the way Brazilians shop.

Urbanization and changing demographics such as an older marriage age, lower birth rates and female participation in the workforce have led to increased demand for convenience products. Take-out options are expanding and sales are rising, particularly during the work week. Asian food is growing in popularity in Brazil, including sushi, which is available for takeout in most major hypermarket chains, boosting the popularity of fish overall.

Consumer food service in Brazil is evolving and showing rapid growth, thanks to the economic and demographic changes outlined above. The food service industry is mostly made up of independent restaurants, concentrated in urban areas that are geared toward lower-income individuals who are dining out with greater frequency. In fact, according to household expenditure studies, Brazilians now spend 24 percent of all food purchases on eating out. A greater variety of foods is being offered at a wider range of prices. Immigration, as well as migration and increasing demand for a variety of options have led to more restaurants to feature international cuisine. As mentioned before, Asian restaurants, Japanese in particular, are growing in popularity. This popularity is fueled in part by Brazil's considerable Japanese population, which is most concentrated in two states- São Paulo and Paraná. Brazil has the largest population of people of Japanese descent outside of Japan. As is well known, Japanese cuisine and the traditional Japanese diet are rich in seafood, in particular, roe (especially herring and pollock), black cod, sockeye salmon and king crab.

Trade:

In 2009, 96 percent of national production was sold domestically and internally consumed and only 4 percent of the products were exported. Top importing countries included the United States, France, Spain, Japan and the UK. The decline in exports was mainly due the global financial crisis.

Between 2006 and 2009, the ratio of consumption of domestic and imported products was stable with 70 percent domestic and 30 percent imported.

Brazil remained for the second consecutive year a net importer of fisheries products. Imports in the fishery category (chapter 03 of HTS) reached US$ 688 million in 2009. Exports of fishery products totaled US$ 162 million in 2009, down nearly 31 percent from the previous year. The main reason for the increase in the trade deficit of the fishery sector is attributed to the negative impact of the valuation of the Brazilian currency which favored imports of sardines, dogfish, salmon and codfish and to a major decline in shrimp exports.

Sardines are the main specie imported by Brazil, followed by dogfish, salmon and merluza. In 2009, imports of sardines totaled 31,624 mt, valued at US$ 29 millions. Morocco is the main supplier of sardines to Brazil (90 percent), followed by United States (4 percent). Dogfish (white shark fins) imports reached 21,193 mt in 2009 up 19 percent from the previous year. Salmon imports in 2009 totaled 12,571 mt, up 76 percent from 2008 valued at US$ 33 million. Chile is basically the sole supplier of salmon to Brazil (80 percent) benefiting from Mercosul’s reduced import tariff. Other major species imported are merluza (mostly from Argentina) and codfish.

Increasing imports of salmon and codfish (both not produced domestically) can be largely related to the valuation of the Brazilian currency and increasing incomes, making product more accessible to the middle-class population.

Although the Brazilian government is investing in new technologies and methods for lobster production, international prices for lobster declined in 2009, which was not favorable to exporters. Lobster exports decreased by 3 percent in 2009. In value and volume terms, the United States remains the main importer of Brazilian lobster (88 percent).

In 2009, shrimp exports dropped by 59 percent in volume to 6,420 mt, and by nearly 52 percent in value to US$ 74 million. The European Union replaced the United States as the main destination of Brazilian shrimp exports. The last three years were particularly tough for shrimp exporters. The industry is highly dependent on exports and the strong Brazilian currency, combined with restrictions from the United States and the European Union, negatively affected exports of shrimp from Brazil.

Policy:

For reference on Brazilian legislation regulating the fishery sector, please note the following laws and decrees.

. Decree No.221, of 02/28/67, establishes the fishing code;
. Law No.6.938, of 08/31/81, regulates the National Environmental Policy;
. Decree No.96.000, of 05/02/88, establishes the rules for research and scientific investigation on the Continental Shelf and in Brazilian-jurisdiction waters;
. Law No.7.661, of 05/16/88, regulates the Coastal Management National Plan;
. Law No.8.617, of 01/04/93, regulates the Territorial Sea and EEZ; and
. Law No.9433, of 01/08/97, regulates National Policy for Water Resources.
. Law No. 11.958, of 06/29/09, established the Ministry of Fishery and Aquaculture
. Law No. 11.959-09, of 06/29/09, update the fishing code

Production, Supply and Demand Data Statistics :

PSD Table

Commodity: Shrimp

Shrimp Brazil	2008/2009		2009/2010		2010/2011		
	Market Year Begin: Jan 2008		Market Year Begin: Jan 2009		Market Year Begin: Jan 2010		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Beginning Stocks							(1000 MT)
Total Production		70,251		65,189		66,492	(1000 MT)
Intra-EC Imports							(1000 MT)
Other Imports				69			(1000 MT)
Total Supply		70,251		65,258		66,492	(1000 MT)
Intra-EC Exports							(1000 MT)
Other Exports		10,931		6,421		7,000	(1000 MT)
Total Exports		10,931		6,421		7,000	(1000 MT)
Domestic consumption		59,320		58,837		59,492	(1000 MT)
Other use/Loss							(1000 MT)
Total Utilization		59,320		58,837		59,492	(1000 MT)
Ending Stocks							(1000 MT)
Total Distribution		70,251		65,258		66,492	(1000 MT)

Export Trade Matrix

Country	Brazil		
Commodity	Shrimp		
Time Period	Jan-Dec	Units:	MT
Exports for:	**2008**		**2009**
U.S.	-	U.S.	-
Others		Others	
France	7,211	France	5,252

Spain	1,758	Spain	585
Japan	682	Japan	343
Netherlands	525	Netherlands	129
Portugal	245	Portugal	55
Belgium	337	Belgium	47
Paraguay	8	Paraguay	8
Germany	19	Germany	2
Total for Others	10,784		6,421
Others not Listed	147		-
Grand Total	10,931		6,421

PSD Table

Country **Brazil**

Commodity **Lobster**

(MT)

	2008	Revised	2009	Estimate	2010	Forecast	
	USDA Official	Post	USDA Official	Post	USDA Official	Post Estimate	
Market Year Begin		01/2008		01/2009		01/2010	
Beginning Stocks	-	-	-	-	-	-	(MT)

Total Production	-	6,747	-	7,171	-	7,314	(MT)
Intra-EC Imports	-	-	-	-	-	-	(MT)
Other Imports	-	-	-	-	-	-	(MT)
TOTAL Imports	-	-	-	-	-	10	(MT)
TOTAL SUPPLY	-	6,747	-	7,171	-	7,324	(MT)
Intra-EC Exports	-	-	-	-	-	-	(MT)
Other Exports	-	2,592	-	2,096	-	2,040	(MT)
TOTAL Exports	-	2,592	-	2,096	-	2,040	(MT)
Domestic Consumption	-	4,155	-	5,074	-	5,284	(MT)
Other Use/Loss	-		-		-		(MT)
TOTAL Utilization	-	4,155	-	5,074	-	5,284	(MT)
Ending Stocks	-	-	-	-	-	-	(MT)
TOTAL DISTRIBUTION	-	6,747	-	7,171	-	7,324	(MT)

Export Trade Matrix

Country Brazil

Commodity Lobster

Time Period	Jan-Dec	Units:	MT
Exports for:	2008		**2009**
U.S.	1,992	U.S.	1,850
Others		Others	
France	177	Japan	63
Spain	170	France	62

Japan	114	Australia	37
Emirates	42	Spain	33
United Kingdom	5	Emirates	13
Italy	3		
Total for Others	512		207
Others not Listed	88		38
Grand Total	2,592		2,096

PSD Table

Country **Brazil**

Commodity **Sardines**

Sardines Brazil	2008/2009	2009/2010	2010/2011
	Market Year Begin: Jan	Market Year Begin: Jan	Market Year Begin: Jan

	2008		2009		2010		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Beginning Stocks							(1000 MT)
Total Production		74,630		85,286		80,000	(1000 MT)
Intra-EC Imports							(1000 MT)
Other Imports		31,731		31,624		32,256	(1000 MT)
Total Supply		106,361		116,910		112,256	(1000 MT)
Intra-EC Exports							(1000 MT)
Other Exports		131		2			(1000 MT)
Total Exports		131		2		0	(1000 MT)
Domestic consumption		106,230		116,909		112,256	(1000 MT)
Other use/Loss							(1000 MT)
Total Utilization		106,230		116,908		112,256	(1000 MT)
Ending Stocks							(1000 MT)
Total Distribution		106,361		116,910		112,256	(1000 MT)